

Ex-Humphrey Aide Faces Campaign Fund Charges

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WASHINGTON, July 30 — The special prosecutor's office charged Senator Hubert H. Humphrey's former press secretary and the aide's partner today with having helped a large milk cooperative make illegal contributions to campaigns of the Minnesota Democrat and other.

The charge, a misdemeanor punishable by a fine of up to \$1,000 and a year in jail, was filed in Federal District Court in St. Paul, Minn., against Norman Sherman, who worked for Mr. Humphrey when he was Vice President, and John Valentine, a political scientist who was Mr. Sherman's partner in a computer-services concern.

Iowa Campaigns Cited

The action, by a criminal information, which is equivalent in a misdemeanor case to an indictment in a felony, was announced in Washington by the deputy special prosecutor, Henry S. Ruth.

The action followed the indictment yesterday of former Secretary of the Treasury John B. Connally on charges of accepting illegal payments from the same milk cooperative and with perjury and conspiracy to obstruct justice.

Thus, in two days, the prosecutors' investigation of milk funds, generated by President Nixon's decision in 1971 to raise milk-price supports, reached high into Republican and Democratic camps.

The investigators charged today that Associated Milk Producers, Inc., paid Valentine,

Sherman and Associates \$82,000 for computer services from July 16, 1971 to Dec. 21, 1971, to aid the campaigns of Senator Humphrey, Senator James C. Abourezk, Democrat of South Dakota and other Democrats who were not identified.

Of the total, \$25,000 was allegedly in part payment for services to Mr. Humphrey's campaign for the Democratic Presidential nomination, \$7,000 for Mr. Abourezk's senatorial campaign and \$50,000 for services "intended to benefit various Democratic party candidates" for Federal offices in Iowa.

The action in St. Paul underscored a comment by a spokesman for the special prosecutor's office, who said, "The investigation is continuing."

Investigators are known also to have been looking into the actions of several high former officials of the Nixon Administration besides Mr. Connally. In addition, the spreading links of the findings have led to examination of contributions to campaigns of prominent Demo-

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crats besides Mr. Humphrey and Mr. Abourezk.

The inquiry was touched off by allegations of ties between campaign contributions from milk producers to the reelection campaign of Mr. Nixon and the President's decision in March, 1971, to reverse the ruling of the then Secretary of Agriculture, Clifford M. Hardin, that no increase in milk-price supports could be justified on economic grounds.

Those allegations for a long while were a central part of the House Judiciary Committee's impeachment proceedings, but the milk-price decision was not made the subject of any proposed impeachment article.

Mr. Connally's name has figured largely in reports by House and Senate investigators of incidents surrounding a \$2-million pledge by three large dairy cooperatives to Mr. Nixon's reelection campaign and the President's milk price decision.

Jacobsen Under Indictment

Mr. Connally has acknowledged that he was approached in 1971 by Jake Jacobsen, a Texas lawyer and long-time friend, who sought his aid in influencing a decision to increase the support level of milk prices. Mr. Jacobsen was indicted yesterday on a charge of having made illegal payments totaling \$10,000 to Mr. Connally in return for the former Treasury Secretary's recommendation of an increase in the price support.



John Valentine



Norman Sherman

A dairy official has testified that in a March, 1971, encounter here, Mr. Connally told him that the price decision was "in the bag." Other witnesses have also attested to the same encounter, but Mr. Connally has denied in sworn testimony any recollection of the event.

Mr. Connally, according to White House records and tape recordings released by the Judiciary Committee, also talked by telephone with President Nixon on the morning of March 23, 1971, about milk prices and was the principal voice advocating a price-support increase at a meeting that afternoon between Mr. Nixon and several aides.

This was the meeting at which Mr. Nixon announced his decision.

Another dairy-industry official has testified to a meeting with Mr. Jacobsen and Mr. Connally in the Treasury Secretary's office in 1972 after an antitrust suit had been filed by the Justice Department against Associated Milk Producers.

The official testified that Mr.

Connally, after a discussion of the suit, spoke "rather harshly" by phone, apparently to former Attorney General John N. Mitchell.

Another former Cabinet member, Mr. Hardin, who was present at the afternoon White House meeting, at which arguments focused on political considerations and the milk producers' potential for campaign support, swore later in an affidavit that only "statutory criteria" influenced the price decision.

Three members of Mr. Nixon's former inner circle have also figured in incidents surrounding the investigation. One is the President's former personal lawyer, Herbert W. Kalmbach.

Mr. Kalmbach has acknowledged accepting a secret contribution of \$100,000 in 1969 that was later shown to have come from Associated Milk Producers' corporate funds. The purpose of the contribution was said to have been to win friends and influence in the new administration.

Mr. Kalmbach has testified that H. R. Haldeman, Mr. Nixon's former chief of staff, approved of the fund after having been told of its purpose.

Mr. Kalmbach has also sworn that he was directed by John D. Ehrlichman, the President's former chief adviser on domestic affairs, to accept a reaffirmation of dairy leaders' \$2-million pledge the night after Mr. Nixon reached his decision but before the price-support increase was announced.

Several leaders of the milk cooperatives have freely acknowledged that a goal of their campaign financing had been to win friends and influence.

Investigations on the Republican side have focused on allegations of illegal contributions

of corporate funds and of attempts to influence official decisions. On the democratic side, the inquiry has focused principally on contributions from Associated Milk Producers' corporate funds.

Contributions to aid several prominent Democrats have turned up. Four were mentioned in an indictment last week of David L. Parr, the former special counsel to the large cooperative.

Mr. Parr was charged with a felony conspiracy in connection with corporate contributions to campaigns of Mr. Humphrey, Mr. Abourezk, Senator Dick Clark, Democrat of Iowa, and Representative Wilbur D. Mills, Democrat of Arkansas.

In reference to aid for campaigns of Mr. Humphrey, the charges against Mr. Parr go back as far as 1968, when the defendant was said to have influenced the writing of \$63,500 in checks to the Democratic National Committee for a Salute to the Vice President dinner. Some of the check writers were said to have been reimbursed from corporate funds.

Mr. Parr was also charged in connection with \$38,000 in additional corporate contributions to Mr. Humphrey's 1968 campaigns in several states and payment of the salary of an employe who worked as a campaign aide that same year. He was also charged in connection with \$23,950 in contributions to Mr. Humphrey's 1970 senatorial campaign.

The charge in connection with Senator Abourezk's campaign involved the same \$7,000 cited in the Valentine, Sherman case. The charge in connection with Senator Clark involved \$50,000 in computer services, apparently the same \$50,000 as that cited in today's action.